

# **Assurance Statement**

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***JMC - On the Line***



# **Annual Assurance Statement**

- ✓ **AR 11-2 states:**
  - “ The head of each reporting organization must submit a statement that provides their assessment of the overall status of the management controls and describes the basis for that determination.”**



# **Annual Assurance Statement (Continued)**

- ✓ **AMC's guidance states,**
  - " The intent of these feeder statements is not to offer up a 'school solution' of reasonable assurance. They must provide an objective assessment of the organization's management controls and identify material weaknesses and plans for their correction ."**



# **Concept of Reasonable Assurance**

- ✓ **Refers to a satisfactory level of management confidence that management controls are in place and are operating as intended.**
- ✓ **It is inherently a management decision.**
  - **Recognizes there are acceptable levels of risk that cannot be avoided because the cost of absolute control would exceed benefits derived.**



# **The Basis for Reasonable Assurance**

- ✓ **The degree to which all managers understand and adhere to the GAO Standards.**
- ✓ **The degree to which we hold managers formally accountable for the effectiveness of their MCs and we evaluate their performance in this regard.**
- ✓ **The timeliness, adequacy and results of MC evaluations, to include the correction of any MC weaknesses we detect.**



# **The Basis for Reasonable Assurance (Continued)**

- ✓ **Considering other sources' assessments(e.g. audits, investigations, and inspections), media coverage, and direct management reviews or assessments by senior officials.**
- ✓ **Supporting statements from assessable unit managers or subordinate commanders and managers.**



# Three Possible Forms of Assurance Statement

- ✓ An unqualified statement of assurance:  
*“ I have reasonable assurance that....”*
- ✓ A qualified statement of assurance:  
*“ I have reasonable assurance that..., except for....”*
- ✓ A negative statement of assurance:  
*“ I do not have reasonable assurance that....”*



# **Annual Assurance Statement Package**

- ✓ **Memorandum that provides reasonable assurance with exception of material weaknesses.**
- ✓ **Four enclosures:**
  - **Enclosure 1: How You Conducted Your Assessment**
  - **Enclosure 2: Management Control Evaluations**
  - **Enclosure 3: Material Weaknesses**





# **Enclosure 1: How You Conducted Your Assessment**

## **✓ Leadership Emphasis:**

- **Memos/policies issued.**
- **Senior Management Councils.**
- **Used cover memo to raise concerns.**

## **✓ Management Control Training:**

- **Type of training and total number by type. (USDA MCA course, JMC workshop, Managers and Evaluators)**
- **Informal Training (deskside, bulletin boards)**
- **Total Number who still need training.**



# **Enclosure 1: How You Conducted Your Assessment (Continued)**

## **✓ Execution:**

- **Efforts to assess effectiveness of MC process.**
- **How you embedded MC evaluations into other existing management review processes.**
- **Provide details on audit followup actions for AAA and DODIG.**



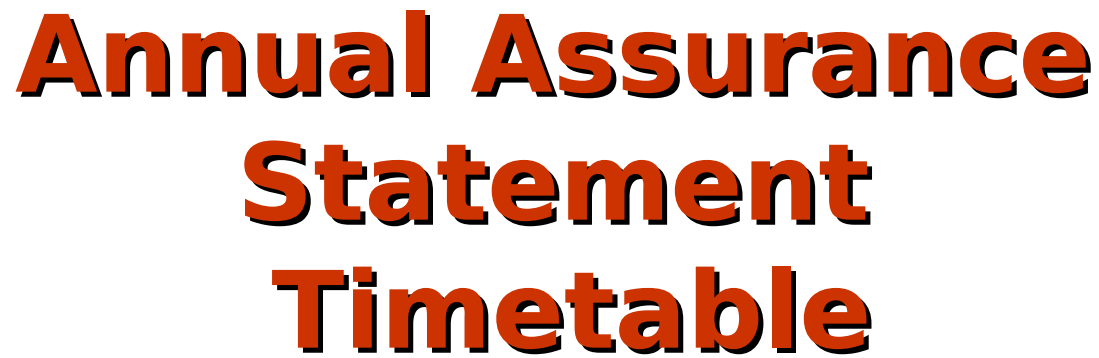
# **Enclosure 2: Management Control Evaluations**

- ✓ **Provide a list of the HQDA key controls completed and certified in FY 03.**
- ✓ **Provide a list of any alternative evaluation processes you have been using as additional controls during FY 03.**



# **Enclosure 3: Material Weaknesses**

- ✓ **Newly Reported Potentials during FY 03. (If none include page - none reported.)**
- ✓ **Current Status of prior year weaknesses. (Potentials that actually became AMC level weaknesses.)**
- ✓ **Total number being monitored at your command level. (Include MW# and current status.)**



## Action

## 20 June JMC CG Statement Signing Meeting.